

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-02062A
Southland Utilities Company, Inc.
2730 E. Broadway, Ste 135
Tucson, AZ 85716

RECEIVED

APR 13 2007
TUCSON, AZ

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-1307 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Southland Utilities Company, Inc.</u>			
Mailing Address <u>2730 East Broadway, Suite 135</u>			
(Street)			
<u>Tucson</u>	<u>Arizona</u>	<u>85716</u>	
(City)	(State)	(Zip)	
<u>(520) 327-6000</u>	<u>(520) 327-6184</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
Local Office Mailing Address <u>4148 Golden Acres Drive</u>			
(Street)			
<u>Sierra Vista</u>	<u>Arizona</u>	<u>85650</u>	
(City)	(State)	(Zip)	
<u>(520) 378-6200</u>	<u>(520) 378-2085</u>	<u>N/A</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

MANAGEMENT INFORMATION

Management Contact: <u>Andrew L. Romo</u>			
		<u>President</u>	
(Name)		(Title)	
<u>2730 East Broadway, Suite 135</u>		<u>Tucson</u>	<u>Arizona</u>
(Street)		(City)	(State)
<u>(520) 327-6000</u>		<u>(520) 327-6184</u>	<u>N/A</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>			
On Site Manager: <u>F. G. Heeren</u>			
		(Name)	
<u>4148 Golden Acres Drive</u>		<u>Sierra Vista</u>	<u>Arizona</u>
(Street)		(City)	(State)
<u>(520) 378-6200</u>		<u>(520) 378-2085</u>	<u>N/A</u>
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Sidney Mendelsohn, Jr.

(Name)

6301 North Dundedin Place

(Street)

Tucson

(City)

Arizona

(State)

85718

(Zip)

(520) 325-7500

Telephone No. (Include Area Code)

(520) 323-6614

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: John O'Hare

(Name)

3865 North Tucson Blvd.

(Street)

Tucson

(City)

Arizona

(State)

85716

(Zip)

(520) 881-2308

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ Partnership (P)

☐ Bankruptcy (B)

☐ Receivership (R)

☐ Other (Describe) _____

☒ C Corporation (C) (Other than Association/Co-op)

☐ Subchapter S Corporation (Z)

☐ Association/Co-op (A)

☐ Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ GILA

☐ LA PAZ

☐ NAVAJO

☐ SANTA CRUZ

☐ STATEWIDE

☒ COCHISE

☐ GRAHAM

☐ MARICOPA

☐ PIMA

☐ YAVAPAI

☐ COCONINO

☐ GREENLEE

☐ MOHAVE

☐ PINAL

☐ YUMA

COMPANY NAME

Southland Utilities Company, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION		Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization		N/A	N/A	N/A
302	Franchises		N/A	N/A	N/A
303	Land and Land Rights		1,070	N/A	1,070
304	Structures and Improvements		21,549	19,958	1,591
307	Wells and Springs		30,144	19,787	10,357
311	Pumping Equipment		70,567	(25,639)	96,206
320	Water Treatment Equipment		N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes		140,104	46,227	93,877
331	Transmission and Distribution Mains		209,091	176,405	32,686
333	Services		41,070	41,068	2
334	Meters and Meter Installations		63,083	13,669	49,414
335	Hydrants		N/A	N/A	N/A
336	Backflow Prevention Devices		N/A	N/A	N/A
339	Other Plant and Misc. Equipment		N/A	N/A	N/A
340	Office Furniture and Equipment		2,494	595	1,899
341	Transportation Equipment		N/A	N/A	N/A
343	Tools, Shop and Garage Equipment		N/A	N/A	N/A
344	Laboratory Equipment		N/A	N/A	N/A
345	Power Operated Equipment		N/A	N/A	N/A
346	Communication Equipment		N/A	N/A	N/A
347	Miscellaneous Equipment		1,850	723	1,127
348	Other Tangible Plant		N/A	N/A	N/A
	TOTALS		581,022	292,793	288,229

This amount goes on the Balance Sheet Acct. No. 108

See Accountant's Compilation Report

COMPANY NAME

Southland Utilities Company, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION		Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization		N/A	N/A	N/A
302	Franchises		N/A	N/A	N/A
303	Land and Land Rights		1,070	5%	N/A
304	Structures and Improvements		21,549	5%	109
307	Wells and Springs		30,144	5%	266
311	Pumping Equipment		70,567	5%	2,681
320	Water Treatment Equipment		N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes		140,104	5%	3,671
331	Transmission and Distribution Mains		209,091	5%	3,100
333	Services		41,070	5%	-0-
334	Meters and Meter Installations		63,083	5%	3,108
335	Hydrants		N/A	N/A	N/A
336	Backflow Prevention Devices		N/A	N/A	N/A
339	Other Plant and Misc. Equipment		N/A	N/A	N/A
340	Office Furniture and Equipment		2,494	5%	99
341	Transportation Equipment		N/A	N/A	N/A
343	Tools, Shop and Garage Equipment		N/A	N/A	N/A
344	Laboratory Equipment		N/A	N/A	N/A
345	Power Operated Equipment		N/A	N/A	N/A
346	Communication Equipment		N/A	N/A	N/A
347	Miscellaneous Equipment		1,850	5%	93
348	Other Tangible Plant		N/A	N/A	N/A
	TOTALS		581,022		13,127

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

* Less Amortization of Contributions in Aid of Construction (602)
 Construction Net Depreciation Expense. 12,525

See Accountant's Compilation Report

COMPANY NAME Southland Utilities Company, Inc.

BALANCE SHEET

Acct .No.			BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS			
	CURRENT AND ACCRUED ASSETS			
131	Cash		\$ 24,372	\$ 15,148
134	Working Funds			
135	Temporary Cash Investments		2,034	7,054
141	Customer Accounts Receivable		11,389	11,374
146	Notes/Receivables from Associated Companies		74,158	78,212
151	Plant Material and Supplies		1,828	4,087
162	Prepayments		83	92
174	Miscellaneous Current and Accrued Assets		11,494	11,883
	TOTAL CURRENT AND ACCRUED ASSETS		\$ 125,358	\$ 127,850
	FIXED ASSETS			
101	Utility Plant in Service		\$ 475,758	\$ 581,022
103	Property Held for Future Use			
105	Construction Work in Progress		10,630	15,801
108	Accumulated Depreciation – Utility Plant		(281,113)	(292,793)
121	Non-Utility Property			
122	Accumulated Depreciation – Non Utility			
	TOTAL FIXED ASSETS		\$ 205,275	\$ 304,030
	TOTAL ASSETS		\$ 330,633	\$ 431,880

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Southland Utilities Company, Inc.

BALANCE SHEET (CONTINUED)

Acct. No.			BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES			
	CURRENT LIABILITIES			
231	Accounts Payable		\$ 3,267	\$ 3,329
232	Notes Payable (Current Portion)		0	85,000
234	Notes/Accounts Payable to Associated Companies		0	0
235	Customer Deposits		1,829	1,313
236	Accrued Taxes		4,851	4,478
237	Accrued Interest		0	0
241	Miscellaneous Current and Accrued Liabilities		17,508	19,427
	TOTAL CURRENT LIABILITIES		\$ 27,455	\$ 113,547
	LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds		\$ 0	\$ 0
	DEFERRED CREDITS			
251	Unamortized Premium on Debt		\$ 0	\$ 0
252	Advances in Aid of Construction		3,314	3,249
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		105,798	105,798
272	Less: Amortization of Contributions		(97,762)	(98,364)
281	Accumulated Deferred Income Tax		16,609	13,027
	TOTAL DEFERRED CREDITS		\$ 27,959	\$ 23,710
	TOTAL LIABILITIES		\$ 55,414	\$ 137,257
	CAPITAL ACCOUNTS			
201	Common Stock Issued		\$ 6,000	\$ 6,000
211	Paid in Capital in Excess of Par Value		135,692	135,692
215	Retained Earnings		133,527	152,931
218	Proprietary Capital (Sole Props and Partnerships)		N/A	N/A
	TOTAL CAPITAL		\$ 275,219	\$ 294,623
	TOTAL LIABILITIES AND CAPITAL		\$ 330,633	\$ 431,880

See Accountant's Compilation Report

COMPANY NAME Southland Utilities Company, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 129,288	\$ 138,042
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	6,289	5,727
	TOTAL REVENUES	\$ 135,577	\$ 143,769
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 0	\$ 0
610	Purchased Water	0	0
615	Purchased Power	26,753	26,715
618	Chemicals		
620	Repairs and Maintenance	9,890	25,511
621	Office Supplies and Expense	7,155	6,617
630	Outside Services	33,125	40,910
635	Water Testing	3,985	5,339
641	Rents	0	0
650	Transportation Expenses	0	0
657	Insurance – General Liability	487	507
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	8,024	5,159
403	Depreciation Expense	10,605	12,525
408	Taxes Other Than Income	45	0
408.11	Property Taxes	8,583	7,607
409	Income Tax	1,345	(3,386)
	TOTAL OPERATING EXPENSES	\$ 109,997	\$ 127,504
	OPERATING INCOME/(LOSS)	\$ 25,580	\$ 16,265
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 2,217	\$ 3,206
421	Non-Utility Income	8	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(57)	(67)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 2,168	\$ 3,139
	NET INCOME/(LOSS)	\$ 27,748	\$ 19,404

See Accountant's Compilation Report

COMPANY NAME Southland Utilities Company, Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

		LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued		N/A	N/A	N/A	N/A
Source of Loan					
ACC Decision No.					
Reason for Loan					
Dollar Amount Issued	\$		\$	\$	\$
Amount Outstanding	\$		\$	\$	\$
Date of Maturity					
Interest Rate		%	%	%	%
Current Year Interest	\$		\$	\$	\$
Current Year Principle	\$		\$	\$	\$

Meter Deposit Balance at Test Year End \$ 19,192

Meter Deposits Refunded During the Test Year \$ 3,284

COMPANY NAME	Southland Utilities Company, Inc.
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
626,149	40	150	600	12"	4"	1967
626,150	50	170	600	14"-12"-10"	6"	1968

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	1	6	N/A
5	1		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
25,000	1	10,000	1
62,000	1	5,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Southland Utilities Company, Inc.
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	Steel	1,000
3		N/A
4	AC	18,122
5		N/A
6	AC	28,260
8		N/A
10		N/A
12		N/A
6	PVC	2,711

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	531
3/4	N/A
1	N/A
1 1/2	N/A
2	2
Comp. 3	N/A
Turbo 3	1
Comp. 4	N/A
Tubo 4	1
Comp. 6	N/A
Tubo 6	N/A

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

Office trailer

OTHER:

Office furniture and equipment.

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Southland Utilities Company, Inc.

YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 8,080.79

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

10000420438

Security enhanced document. See back for details.

SOUTHLAND UTILITIES CO INC

2730 E BROADWAY BLVD STE 135
TUCSON, AZ 85716
520-327-6000

6924

91-574/1221
41505

PAY
TO THE
ORDER OF

DATE Sept. 27, 2006
Warska Bonham, Cochise Cty Treasurer \$ 146 12
One Hundred Forty Six and 12/100 DOLLARS



Compass Bank
Tucson, Arizona

06 ID # 9000056-012
FOR

Andrew L. Rono

MP
⑈0000014612⑈

⑈006924⑈ ⑈12210574⑈ 0065001891⑈

GUARDIAN © SAFETY

© Clarke American BA

10-12-06 10:11:06

2024 69380

THOMAS CHASE BANK, NA
ATLANTA, GA 30303
119013317

124032693

105350000
1051061114
NATIONAL ALUMINUM CO
IN ALABAMA

9211052500 303/21/07
SECURITY

SOUTHLAND UTILITIES CO INC

2730 E BROADWAY BLVD STE 135
TUCSON, AZ 85716
520-327-6000

6929

91-574/1221
41505

DATE Oct 3, 2006

\$ 3730.29

PAY TO THE ORDER OF Marsha Bonham, Cochise Cty Treasurer
Thirty Seven Hundred Thirty and 29/100 DOLLARS

Security Features
are included.
Check the back.



Tucson, Arizona

06/ 924-56-870-006
FOR

Andrew L. Rono MP

⑈006929⑈ ⑈122105744⑈ 006500189⑈

⑈0000373029⑈

-507-429

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Andrew L. Romo, President</u>
COMPANY NAME
<u>Southland Utilities Company, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Andrew L. Romo

SIGNATURE OF OWNER OR OFFICIAL

520-327-6000

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 11 DAY OF



COUNTY NAME	<u>Pima</u>
MONTH	<u>Dec</u>
	<u>20</u> <u>07</u>

Kam W. Lau
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Southland Utilities Company, Inc.

YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u> </u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u> </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Andrew L. Romo

SIGNATURE

04.11.07

DATE

Andrew L. Romo

PRINTED NAME

President

TITLE

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Andrew L. Romo, President</u>
COMPANY NAME
<u>Southland Utilities Company, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 146,597

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,555.01
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

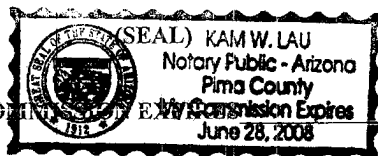
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11

DAY OF

COUNTY NAME	<u>Pima</u>	
MONTH	<u>April</u>	<u>2007</u>



MY COMMISSION EXPIRES

Andrew L. Romo

SIGNATURE OF OWNER OR OFFICIAL

520-327-6000

TELEPHONE NUMBER

KAM W. LAU

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Andrew L. Romo	TITLE President
COMPANY NAME Southland Utilities Company, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

MONTH 12	DAY 31	YEAR 2006
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 134,654

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 7,498
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Andrew L. Romo
SIGNATURE OF OWNER OR OFFICIAL
520-327-6000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

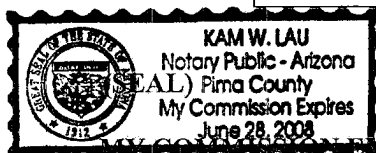
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

1

DAY OF

NOTARY PUBLIC NAME KAM W. LAU	
COUNTY NAME Pima	
MONTH April	2007



MY COMMISSION EXPIRES

June 28, 2008 X

KAM W. LAU
SIGNATURE OF NOTARY PUBLIC